

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

DECEMBER 20, 2010

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, December 20, 2010, in Public Session, at 4:00 p.m., at the offices of Banneker Industries, Inc., located at 582 Great Road, North Smithfield, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the bylaws of the Corporation and applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Donald L. Carcieri, Mr. Alfred Verrecchia, Mr. Karl Wadensten, Mr. Daniel Sullivan, Mr. Shivan Subramaniam, Ms. Cheryl Snead, Mr. George Nee, Mr. Lynn Singleton, Mr. Paul Choquette, Dr. Timothy Babineau, Ms. Donna Cupelo, Dr. David Dooley and Mr. Stephen Lane.

Directors absent: None.

Also present were: Executive Director Keith Stokes and Attorney Robert I. Stolzman.

Governor Carcieri presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Governor Carcieri called the meeting to order at 4:05 p.m., and called for a motion to approve the minutes of the last board meeting.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON NOVEMBER 22, 2010

Upon motion duly made by Dr. Babineau and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the public session minutes of the meeting held on November 22, 2010.

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Ms. Cupelo, Dr. Dooley and Mr. Lane.

Voting against the foregoing were: None.

Following the vote, Governor Carcieri introduced Mr. Richard A. Licht, who was present to observe the meeting on behalf of Governor-elect Lincoln Chafee. Mr. Licht has been appointed Director of Administration for Governor-elect Lincoln Chafee's administration. Mr. Licht thanked Governor Carcieri, Mr. Stokes and the Board for their cooperation with the transition.

Attorney Stolzman explained that the order of the agenda items for this meeting were being re-arranged, and that the matter of Phoenix Medical Technologies for final approval of Innovation Tax Credit would be skipped for now, as the company has been unable to raise sufficient capital to proceed at this time.

3. FOR FINAL APPROVAL OF INNOVATION TAX CREDIT FOR MOFUSE, INC.

Ms. Christine Smith reminded the Board that this matter had come before the Board at the November meeting, at which preliminary approval was granted. She introduced Ms. Annette Tonti, CEO of Mofuse, and explained that the company has now completed its capital investment of \$750,000 through out of state investors, angel investors and the Slater Technology Fund, and is back before the Board for final approval of \$100,000 Innovation Tax Credits.

Upon motion duly made by Mr. Choquette and seconded by Ms. Snead, the following vote was adopted:

VOTED: See text of Vote at **Exhibit A.**

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Dr. Dooley and Mr. Lane

Voting against the foregoing were: None.

Ms. Donna Cupelo recused herself from the vote.

Prior to moving on to the next matter, Governor Carcieri thanked Ms. Snead for hosting this meeting at Banneker Industries.

4. FOR APPROVAL OF FINANCING FOR OCEAN COMMUNITY YMCA

Attorney Stolzman noted that Attorney Tony Afonso, as Bond Counsel, was present to answer any questions. Mr. Stolzman explained that this matter is for final approval, the Board having already given inducement approval at its October meeting. He noted that Washington Trust is purchasing the entire bond issue.

Upon motion duly made by Mr. Choquette and seconded by Ms. Cupelo, the following vote was adopted:

VOTED: See text of Vote at **Exhibit B.**

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Ms. Cupelo, Dr. Dooley and Mr. Lane

Voting against the foregoing were: None.

5. FOR RENEWABLE ENERGY DEVELOPMENT FUND APPROVAL FOR PROVIDENCE HOUSING AUTHORITY

Mr. Julian Dash explained that Providence Housing Authority (PHA) is seeking financial assistance with the installation of a 50kw solar PV system on its Carroll Towers project on Smith Street. Carroll Towers is a public affordable housing project and the savings from the solar PV system will help to reduce the utility expenses of the occupants of Carroll Towers.

Upon inquiry of Mr. Nee, Mr. Dash confirmed that the utility expenses are included in the residents' rent, therefore, the utility savings will help to keep the rents down.

Upon motion duly made by Mr. Choquette and seconded by Dr. Babineau, the following vote was adopted:

VOTED: See text of Vote at **Exhibit C.**

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Ms. Cupelo, Dr. Dooley and Mr. Lane

Voting against the foregoing were: None.

6. FOR RENEWABLE ENERGY DEVELOPMENT FUND APPROVAL FOR ARPIN GROUP

Mr. Dash explained that Arpin Group is looking to install a 175 kw Solar PV project on their main office and distribution facility in West Warwick. The request before the Board is for a grant in the amount of \$249,955, which will come from stimulus funds, and a loan in the amount of \$237,985. It is anticipated that the solar PV system will result in saving \$21,000 annually in electricity costs.

Mr. Dash explained that Arpin is a green company and the solar PV installation is part of the company's remodeling and upgrading in order to obtain LEED certification.

Upon motion duly made by Ms. Cupelo and seconded by Mr. Choquette, the following vote was adopted:

VOTED: See text of Vote at **Exhibit D.**

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Ms. Cupelo, Dr. Dooley and Mr. Lane

Voting against the foregoing were: None.

7. FOR RENEWABLE ENERGY DEVELOPMENT FUND APPROVAL FOR MILL CREEK MARINE

Mr. Dash explained that Mill Creek Marine initially requested funding partially via a grant and partially via a loan, but the company has not been able to obtain a bank loan and is now asking for a loan from the Renewable Energy Development Fund. Upon inquiry of Ms. Cupelo regarding net metering, it was explained that the company needs to close the loan by year end 2010 in order to take advantage of tax incentives. Mr. Dash explained that EDC staff has tried to intervene with the bank but the bank is not moving. He stated that the company should be able to refinance the loan after the new year, but there is no assurance that the company will attempt to refinance the loan.

Mr. Dash confirmed that the loan is fully recoverable, as opposed to a grant, which is not recoverable. Governor Carcieri noted that the original plan called for a \$63,000 grant.

Mr. Choquette asked if the interest rate of 2% could be increased, to which Mr. Dash responded that the 2% rate is a compromise to offset the fact that the financing will not include a grant.

Upon inquiry of Mr. Subramaniam, Mr. Dash explained that the company is ready to move forward to complete the loan closing by year end, and that the tax credits will be confirmed prior to the loan closing.

There being no further discussion regarding this matter, upon motion duly made by Mr. Choquette and seconded by Dr. Babineau, the following vote was adopted:

VOTED: See text of Vote at **Exhibit E.**

Voting in favor of the foregoing were: Mr. Verrecchia, Mr. Wadensten, Mr. Sullivan, Mr. Subramaniam, Ms. Snead, Mr. Nee, Mr. Singleton, Mr. Choquette, Dr. Babineau, Ms. Cupelo, Dr. Dooley and Mr. Lane

Voting against the foregoing were: None.

8. **EXECUTIVE DIRECTOR'S REPORT**

A copy of Executive Director Keith Stokes' monthly report regarding economic development activity is found at **Exhibit F**. The news of most importance, however, was the pending possibility of the America's Cup final event to take place in Rhode Island, specifically Newport.

Mr. Stokes provided an update on what has transpired during the last several months following America's winning the Cup in 2010. He reported that an America's Cup committee was formed late February/early March to assess Newport and Rhode Island's capability to host the 34th America's Cup events and to put together a bid to be submitted to BMW/Oracle. Mr. Stokes acknowledged that several members of the Committee were present at this meeting.

The Committee focused on the development of Fort Adams State Park, as it appeared to fit the needs for a "village" environment. In July 2010, an event was held at Ft. Adams to showcase the America's Cup as well as Rhode Island's enthusiasm for hosting the next event. At that time, leadership from BMW/Oracle had a chance to tour the facilities at Ft. Adams.

Mr. Stokes explained that it had seemed that BMW/Oracle was focused on having the final races in 2013 in San Francisco, but that Rhode Island was still in the running for one or more preliminary races in 2011/2012. The America's Cup committee continued its efforts to host any and all regattas and submitted a plan for pre-regatta races.

Approximately one week ago, BMW/Oracle reached out to Mr. Stokes regarding Newport's submission for consideration of the preliminary and final races. Mr. Stokes introduced Mr. Tom Ehman, member of the Golden Gate Yacht Club and America's Cup Committee, to share a letter with the Board from Stephen Barclay, COO of BMW/Oracle (See **Exhibit G**).

Mr. Ehman stated that, based on the strength of Rhode Island's application to host pre-regatta races, BMW/Oracle was looking anew at Rhode Island to host the final races in 2013. He explained that BMW/Oracle was committed to making a decision on a venue by year end 2010.

Mr. Ehman explained that the America's Cup races represent one of the world's top sporting events for economic impact. The duration of the entire event is over a three-year period, with practice, training and the year of the Cup, the latter of which is anticipated in 2013. He noted that one of the goals of the 34th America's Cup is to get the youth interested and involved.

In order to be selected, Rhode Island must assure BMW/Oracle that it can quickly deliver a world class events center at Fort Adams. Mr. Ehman noted that an

event like this has the potential to fill all of the hotel rooms in the State and bring a lot of revenue and jobs to Rhode Island.

Mr. Stokes then introduced members of the Rhode Island America's Cup committee, including Brad Read, Michael Keyworth, Halsey Herreschoff, David Elwell, Dr. Robin Wallace and Mark Brodeur.

Governor Carcieri noted that there are still a lot of questions to be answered, including the cost of making the infrastructure improvements needed at Fort Adams in order to handle this event. He noted that, while improvements have been underway at Fort Adams for some time, this would require accelerating the improvements.

Mr. Ehman noted that the races would be held in the East Passage so that spectators can see the races from land on both sides. He commented on the economic impact that would linger after the races were over, with live broadcasts of the event available worldwide and a boost to state tourism.

Mr. Stokes stated that he has been working with Governor-elect Chafee and his administration on this matter and acknowledged that this is an extraordinary opportunity for Rhode Island.

Upon inquiry of Mr. Wadensten, Mr. Ehman stated that the plan is for the Races to occur more frequently beginning with the 34th running, so that the races would be held every two years. In response to a question by Dr. Dooley, Mr. Stokes stated that the committee has been working with members of the state's federal delegation, including Senator Whitehouse, to identify federal programs that could facilitate the infrastructure improvements.

Mr. Nee thanked Mr. Ehman for his interest in Rhode Island, noting that there are currently thousands of unemployed people in the state.

Mr. Choquette and other board members voiced their support for this effort.

Prior to adjournment, Governor Carcieri acknowledged that this was the last meeting of the RIEDC over which he would preside, and thanked the Board members and Mr. Stokes for their good work.

There being no further business in Public Session, the meeting was adjourned at 5:10 p.m., upon motion made by Ms. Snead and seconded by Mr. Choquette.

Robert I. Stolzman, Secretary